

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT General Services Agency	(2) MEETING DATE 4/16/2013	(3) CONTACT/PHONE Janette Pell, General Service Agency Director 805-781-5200	
(4) SUBJECT Request to approve a Resolution of Intention to Surplus and Sell County-owned real property in the unincorporated area of Cayucos to a qualified land conservancy. District 2.			
(5) RECOMMENDED ACTION It is recommended that the Board approve the Resolution and authorize the Chairperson to sign and direct the Clerk of the Board to publish a notice of the May 21, 2013 auction date.			
(6) FUNDING SOURCE(S) N/A	(7) CURRENT YEAR FINANCIAL IMPACT Min. \$5,000.00 Revenue	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____) <input type="checkbox"/> Board Business (Time Est. ____)			
(11) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP Attached	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: <u>May 3, 2005</u>	
(17) ADMINISTRATIVE OFFICE REVIEW			
(18) SUPERVISOR DISTRICT(S) District 2 -			

County of San Luis Obispo



TO: Board of Supervisors

FROM: General Services Agency
Janette Pell, General Service Agency Director
805-781-5200

DATE: 4/16/2013

SUBJECT: Request to approve a Resolution of Intention to Surplus and Sell County-owned real property in the unincorporated area of Cayucos to a qualified land conservancy. District 2.

RECOMMENDATION

It is recommended that the Board approve the Resolution and authorize the Chairperson to sign and direct the Clerk of the Board to publish a notice of the May 21, 2013 auction date.

DISCUSSION

The County of San Luis Obispo owns 48 parcels of vacant land located outside the Urban Reserve Line in the hillsides above Cayucos. The parcels were acquired by the County through property tax default and donation and are not needed for any County purpose. The parcels are scattered throughout the hillsides and range in size from 0.04 acres to 0.23 acres, totaling approximately 3.89 acres. A map showing their general location is attached. The property is zoned Rural Lands and none of the parcels meet the minimum size of one acre in order to be buildable. There are no developed roads or utilities serving the properties and they are located in a Geologic Studies Area.

In 2005, the County auctioned 145 similar parcels and sold them to the Cayucos Land Conservancy with an open space deed restriction. The County did not transfer all County-owned parcels at that time because some of them might have been needed for a pending County Public Works project. Public Works has now identified the parcels to retain for their project. This leaves 48 parcels that are not needed. Two of these parcels are located in the Morro Rock View Subdivision and forty-six are located in the Morro Strand Subdivision. The properties are listed by parcel number in Exhibit "A" to the Resolution of Intention to Surplus and Sell.

The Estero Area Plan Update, approved by the Board of Supervisors in January 2009, identifies the Cayucos Hillsides as part of the Highway 1—Cayucos Critical Viewshed in order to protect views from Highway 1, public beaches, and the ocean. It also recommends that the County policy regarding these lots shall be to "retain them in public ownership, pursue strategies such as agreements with non-profit conservation organizations to maintain the properties in open space use, or enable mergers with adjacent agricultural land that permanently retain the properties in agriculture or open space use."

The proposed open space deed restriction is included in Exhibit "B" to the Resolution of Intention to Surplus and Sell. The deed restriction prohibits the construction of buildings, structures, roads or other development except for minimum support facilities, parking, fencing, trails, and signs. Motor vehicle activity is narrowly restricted and passive recreational activities are generally allowed. The wording of the deed restriction matches the wording used in the previous sale of 145 parcels to the Cayucos Land Conservancy in 2005.

The surplus and sale procedure is defined in California Government Code, Section 25526 et.seq. The General Services Agency recommends that bidders be restricted to nonprofit organizations whose mission is land conservancy, with a history of successful land management. The minimum bid is recommended to be \$5,000, which is an amount sufficient to reimburse General Services staff costs and to pay the \$1,000 Surplus and Sale fee authorized in the County's fee schedule. The County will pay no other costs related to the sale. The purchaser will pay the transfer tax in order to record the deed, which is minimal, and may obtain their own title insurance policy, if desired. The deed must record no later than June 7, 2013.

Approval of the attached resolution will set the date of May 21, 2013 for an auction to be held by the Board during a regularly scheduled board meeting. Written bids must be received by the General Services Agency no later than 5:00 PM on May 20, 2013. A bid form may be obtained by calling Real Property Services at (805) 781-4688 or by e-mailing Linda Van Fleet at lvanfleet@co.slo.ca.us. The written bids will be opened at the time of the auction and then the Board will call for oral bids. Oral bids must exceed the highest written bid by no less than five percent (5%). The resolution also directs the Clerk of the Board to advertise the auction in accordance with California Government Code, Section 6063 for three consecutive weeks in a newspaper of general circulation.

OTHER AGENCY INVOLVEMENT/IMPACT

The determination of general plan conformity was filed with the Planning Commission on March 14, 2013 and states that the proposed surplus and sale of these properties to a land conservancy for open space conforms to the general plan. The County Environmental Coordinator recommends that the Board find this sale to be Categorically Exempt pursuant to the California Environmental Quality Act per Section 15312 (a)(b)(3) because the sale will not result in any significant environmental impacts, as stated in the attached Notice of Exemption. In accordance with California Government Code, Section 54222(b)(4), a notice of intention to sell these parcels was sent to the California Natural Resources Agency on January 10, 2013, and the agency did not express an interest. The General Services Agency will check with the County Tax Collector's Office prior to the auction date to confirm that no legal challenges have been filed to the tax default status of any of the parcels. The Cayucos Advisory Council supported the effort to transfer these properties to a land conservancy for open space when it was initially proposed in 2004. County Counsel has approved the Resolution and Quitclaim Deed as to form and legal effect.

FINANCIAL CONSIDERATIONS

The cost of advertising the auction is estimated to be \$200, which is budgeted in the General Services - Real Property Services budget for Publications and Legal Notices. The anticipated sales price of at least \$5,000 is budgeted as revenue in the General Services—Real Property Services budget for Sale of Surplus Property. The cost to have acquired the properties through tax default is not a financial consideration for the County overall because it was paid from the General Services Agency to the Tax Collector, at no net cost to the County. Since these parcels are owned by the County, they are no longer on the property tax rolls, and their future ownership by a land conservancy will likely continue to exempt them from property taxes.

As for the fair market value of these parcels, although these properties sell individually on the open market for generally \$5,000 to \$6,000 each, sales activity is very limited and an average of only two sales per year of similar Cayucos hillside parcels have been reported in the multiple listing service over the past six years. These sales are not representative of the fair market value of the County-owned parcels because the County's parcels are being sold in bulk with open space deed restrictions that significantly restrict their future use and because qualified bidders that meet the County's requirements are limited in number.

RESULTS

Approval of the attached Resolution will set the date of May 21, 2013 to hold the auction to sell 48 County-owned parcels of vacant land in the hillsides above Cayucos. It will specify that the properties will be sold with an open space deed restriction and will restrict bidders to qualified land conservancies. The resolution will also set a minimum bid price of \$5,000 for the 48 parcels in bulk sale and will authorize the Clerk of the Board to publish legal notice of the sale.

ATTACHMENTS

1. Location Map
2. Resolution
3. CEQA Determination